Ministry of Food Processing Industries (MFPI) has been providing financial assistance in the form of grant-in-aid for Technology Upgradation/Establishment/Modernization of food processing industries upto 25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50 lakh in general areas and upto 33.33% in difficult areas subject to a maximum of 75 lakh to various implementing agencies for the overall development of Food Processing Sector.

Under the scheme of Promotional Activities, the Ministry has a provision to make need-based financial support available for survey/studies to be done by State Governments for development of food processing sector in their respective state.

Reduction in VAT on raw materials for biscuit manufacturing

3545. SHRI AMAR SINGH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government is aware that the prices of raw materials required for biscuit manufacturing like edible oils, Maida and sugar have been gone up consequent upon presentation of the Budget 2008-09 and if so, the details thereof;

(b) whether it is a fact that biscuit manufacturers have demanded a reduction in VAT, so that the prices of biscuits do not become a burden on the common people; and

(c) if so, the details thereof and the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) Prices of commodities are generally governed by market forces of demand & supply. Prices of commodities across the board have witnessed an upward trend in recent months incuding raw materials required for biscuit manufacturing. This is mainly because of the rising demand on account of rising population, increase in purchasing powers & consequential changes in consumption pattern. Seasonal factors & hardening of international prices have also contributed to the same. The Government is concerned with the price rises and is trying its best to contain it.

(b) and (c) The Federation of Biscuits Manufacturers have demanded for a reduction of VAT on Biscuits from 12.5% to 4%. The matter has been taken up with the Empowered Committee on VAT.

Development of mega food parks

3546. MS. MABEL REBELLO: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government proposes to develop mega food parks in the country;

(b) if so, the details thereof, *inter-alia* indicating the locations where such parks would be set up in Orissa and Jharkhand;

(c) whether it would be a centrally funded project or under PPP mode; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) Ministry of Food Processing Industries (MFPI)